

Press Release



The Price of Privacy: The Impact of Strict Data Regulations on Innovation and More

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Most people agree personal privacy deserves protection and warrants government regulation in some contexts, but regulation comes with costs and tradeoffs. As the European Union's General Data Protection Regulation (GDPR) enters its fourth year and various U.S. states have enacted their own privacy regulation, the price of privacy regulation is now real for many companies and consumers. In a new analysis, AAF's Director of Technology and Innovation Policy Jennifer Huddleston examines the costs of data privacy regulation and its impact on investments and startups.

An excerpt:

Advocates for stringent privacy regulations point to the value of a right to privacy, but this right does not exist in a vacuum. Analysis of the impact of Europe's GDPR suggests that there is a cost to over-valuing privacy through stringent regulation, both in the economic damage and the tradeoffs to other rights. As policymakers consider potential data privacy regulation in the United States, they should avoid an approach that prioritizes privacy above all else and seek to build on the benefits of the current U.S. approach that focuses on identifiable and quantifiable harms.

[Read the analysis.](#)